

# Exhibit Q



Global

## Corporate Strategy

### Letter to Shareholders: A Message from Howard Stringer, CEO

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[Originally from Annual Report 2009](#)

## Introduction

I am addressing you all today at a significant turning point in the history of Sony. The fiscal year ended March 31, 2009 (fiscal year 2008) saw unprecedented economic turmoil the likes of which we could not have imagined just one year earlier. The global economic crisis, combined with the pronounced strength of the yen, significantly impaired the health of our operating results-and those of many other companies-with a speed and ferocity that were unparalleled in recent history. This impact put us in an unsettling financial situation and gave me, and many of you, rightful cause for concern.

Despite the challenging nature of the past fiscal year, the global economic crisis has presented us with an opportunity to re-position ourselves to take on our competitors and be poised to capitalize when the economy turns around. Before I discuss that, however, I would like to mention some of the highlights of fiscal year 2008, which demonstrate what Sony is capable of achieving even in adverse economic situations and serve as beacons of inspiration during these tough times.

In the past fiscal year, we developed and launched some of the most technologically innovative and unique products on the market today:

- The BRAVIA™ ZX1 is the world's thinnest<sup>\*1</sup> and lightest<sup>\*2</sup> LCD TV and features LED edge lighting (instead of the typical back lighting). This elegant set can easily be hung on a wall despite having a 40-inch screen, and it connects wirelessly to other devices.
- The Handycam® XR500V video camera features the backilluminated Exmor R CMOS image sensor, which allows users to take high-quality video even in low-light conditions.
- The Cyber-shot™ HX1 compact digital camera is the world's first camera to allow users to capture wide-angle, panoramic views by holding down the shutter button and sweeping the camera across a range of 224 degrees, and it can capture images at 10 frames per second to record action like a highend television camera at a sports event.
- The VAIO™ P Series PC is the world's lightest<sup>\*3</sup> 8-inch notebook PC, which has garnered acclaim for its unique ultrawide design, GPS and other functions.
- And finally, the X Series Walkman® digital music player features a 3-inch OLED touch screen, digital noise canceling functions, the S-Master™ digital amplifier as well as Wi-Fi connectivity, which together provide a unique user experience that brings together ease-of-use and superb audio and video quality.
- Sony's 4K digital cinema technology, which now has the backing of four major studios (including, of course, Sony Pictures), is taking the movie-viewing experience to a whole new level. Featuring four times the resolution of Full HD and twice that of the competing standard, this technology now has support from theater chains in the U.S., and puts Sony at the forefront of digital cinema technology.
- We nearly doubled the PLAYSTATION®3 (PS3™) installed base over the year, while also reducing the cost of the hardware. As of June 2009, PlayStation®Network had more than 24 million registered accounts worldwide, through which more than 450 million pieces of content have been downloaded, and more than 500 game titles, nearly 1,900 movies and more than 9,400 episodes of TV shows can be enjoyed. Through this progress, we have built the foundation for what we hope will become a robust and successful business.
- Blu-ray Disc™ has become the standard next-generation optical disc format, which was good news not only for Sony and the industry as a whole, but for millions of movie lovers around the world. The number of Blu-ray Disc-compatible players-including players, recorders, and PS3™-is growing sharply, with by far the largest overall share coming from Sony.
- Films like *Hancock*, starring Will Smith, and *Quantum of Solace*, the latest James Bond film, delighted audiences around the world as Sony Pictures had one of its biggest years on record at the worldwide box office, showing that demand for entertainment is strong even in these trying economic times.
- Altogether, Sony's music businesses were highly profitable in fiscal year 2008, despite difficult market circumstances. We acquired Bertelsmann AG's half of the SONY BMG<sup>\*4</sup> joint venture and welcomed the company back into the Sony Group as Sony Music Entertainment (SME). Sony Music Entertainment (Japan) Inc. increased its share to top the Japanese market, and Sony/ATV Music Publishing grew its share of new releases in the U.S. music publishing market, on its way to recording a substantial increase in operating profit over the previous year.

While it is encouraging to acknowledge these successes, the fact remains that fiscal year 2008 was one of the most difficult years in this company's long history. It is indisputable that a substantial portion of this is attributable to the global economy and the strength of the yen, but the inescapable truth is that despite our restructuring and cost-cutting efforts in past years, the downturn exposed stresses and vulnerabilities in our company that have built up over a long period of time. Addressing this-and helping assure that it does not happen again-is my top priority.

\*1 The thinnest part of consumer-use televisions, as of August 28, 2008

\*2 40-inch consumer-use televisions (monitor only), as of August 28, 2008

\*3 As of December 2008

\*4 SONY BMG MUSIC ENTERTAINMENT was a 50-50 joint venture between Sony Corporation of America and Bertelsmann AG until October 1, 2008, at which time Sony purchased the remaining half of the company, which was renamed Sony Music Entertainment (SME).

## Restructuring Plan/Progress

The first and most urgent steps to respond to the global economic crisis in September 2008 were to quickly adjust our production levels and to announce and engage in immediate restructuring and other cost-cutting initiatives.

Below are some of the initiatives we announced<sup>\*5</sup> and the progress we have made so far. As you can see, our efforts are progressing more quickly than originally announced.

- Achieving cost reductions throughout the Sony Group of more than ¥250 billion in fiscal year 2009 compared to fiscal year 2008 through restructuring and other initiatives. We now believe that these initiatives will reduce costs by more than ¥300 billion.
- Rationalizing our manufacturing operations, including reducing our 57 manufacturing sites by approximately 10%, and furthering the shift to manufacturing in low-cost areas and with OEM/ODM partners. Since the announcement, we have closed or announced the closing of eight manufacturing sites.
- Streamlining our workforce through work reassignments and outplacements, among others, as well as reducing headcount in the Electronics business by approximately 8,000-for which we are on track-in addition to reducing our temporary-workforce by more than 8,000, which we have since accomplished.

In addition, we have adjusted production, lowered inventory levels, reduced marketing and other operational expenses, and curtailed or delayed portions of our investment plans. We will continue these and other efforts to improve efficiency and will wage a continuous battle to make this company leaner, quicker and stronger and, therefore, better able to innovate, lead and flexibly navigate in these increasingly competitive times.

\*5 Announced in December 2008 and January 2009

## Reorganization

Sony's true transformation began with the reorganization of its Electronics and Game businesses, undertaken to enhance competitiveness, improve profitability and accelerate innovation and growth, so that we may strengthen our position in the continuously challenging and evolving industries in which we operate.

Under the reorganization, effective on April 1, Sony's Electronics and Game businesses are now merged and reconfigured as two strong new groups: the Consumer Products & Devices Group and the Networked Products & Services Group. The first group represents our traditional and vital hardware; the second will provide new network differentiation which, when married to our hardware, will spearhead our growth going forward.



Hiroshi Yoshioka  
Corporate Executive  
Officer,  
Executive Deputy President

The Consumer Products & Devices Group, which brings together consumer electronic categories such as televisions, digital cameras and camcorders, home audio and home video, is established to enhance product competitiveness and increase the speed and efficiency of operations in order to improve profitability and sustain growth in our vital hardware offerings. In addition, by integrating the device business, including batteries and semiconductors, into the same group, we aim to strengthen the coordination of development and strategy planning between final products and their key components. I have asked Hiroshi Yoshioka, with experience in both Sony's home and portable electronics business divisions, to head this organization.



Kazuo Hirai  
Corporate Executive  
Officer,  
Executive Vice President

The Networked Products & Services Group is comprised of Sony Computer Entertainment, VAIO personal computers, mobile products including Walkman® digital music players, and Sony Media Software and Services, which is developing a common service platform across Sony products. It also includes a new incubation group tasked to develop new products and services. The mandate of this group is to accelerate innovation of our networked products and services to deliver new and exciting user experiences to our customers in part by maximizing the coordination and integration between the PlayStation® and consumer electronics businesses. Integral to this process is the utilization and expansion of the PlayStation® Network service platform. Kaz Hirai, concurrent President of Sony Computer Entertainment, will bring his experience with both networked products and network services as he leads this strategically important group.

To support these two new business groups in terms of software development and manufacturing, procurement and logistics operations, we have created two cross-company platforms:



The Common Software and Technology Platform is tasked to develop and implement common software solutions and provide coordinated software development services to each business



Keiichiro Shimada  
Corporate Executive,  
Senior Vice President

group so our networked products and services can communicate seamlessly with a common user interface. Through this platform, we will streamline and optimize the software development process across these two new business groups and proceed with our R&D in a coordinated manner. This platform is headed by Keiichiro Shimada, who understands the vital role software plays in consumer electronics and has already successfully spearheaded the adoption of various open standards across Sony.



Yutaka Nakagawa  
Corporate Executive  
Officer,  
Executive Deputy President

The Manufacturing, Logistics, Procurement and CS Platform will provide the most efficient supply chain solutions for the two new business groups. For the first time in Sony's history, all electronics business groups and Sony Computer Entertainment are relying on centralized manufacturing, procurement and logistics. The platform is fully leveraging the Sony Group's scale in procurement, promoting component standardization, and optimizing the allocation of in-house and outsourced manufacturing in order to achieve further cost reductions, as well as to enhance product quality and green management. Yutaka Nakagawa, who initiated Sony's "Asset Light" strategy in the semiconductor business, has been chosen to simplify and streamline our operations by running this important new group.

Under this strong, new generation of Sony leadership, this reorganization will steer the Sony Group in an even more dynamic and innovative direction while transforming it into a more integrated and nimble global company. The new management team in place is digitally savvy, globally experienced and determined to connect to customers who are reinventing their futures and their personal aspirations every day in the digital, networked world.

## Mission and Action Plan

As I mentioned in my letter to you last year, our mission is to become a leading global provider of networked consumer electronics, entertainment and services. To do this, we must strengthen each of the pillars of our core businesses and be coordinated in our efforts to innovate for further growth.

Innovation has always been one of Sony's celebrated strengths, and it is through innovation that we will continue to develop the unique products, content and services that deliver rich user experiences and inspiration to our customers.

This innovation is what has driven Sony's success in the past, and this in turn has driven our brand-one of the strongest weapons in our arsenal-to what it is today. In a survey conducted by Harris Interactive, Sony is ranked as the third most admired company, ahead of all of our competitors, number three in the Business Superbrands survey of U.K. business professionals and number four in the Brand Japan Survey.

To let this innovation drive Sony to new heights, we need to challenge our engineers, designers and producers to enhance our exciting hardware with a new focus on the software and content that will help establish our differentiation going forward, nurture an “Asset Light” corporate structure and efficiently use our capital so that it will generate sufficient returns on our investments.

## Strengthening Networked Software and Content

I have always been enthusiastic about hardware. Sony, as you all know, has a long and proud history of developing groundbreaking hardware that has excited customers and first created and then enhanced our brand. However, customers now expect product interconnectivity and the convenience that networking can provide, and we believe that we are uniquely positioned to make great, innovative hardware with these capabilities. As a result, I am now equally as enthusiastic about networks as I am about hardware. Our networked products and services will differentiate us and make Sony products more valuable to the consumer, and will also provide more reasons for consumers to buy and use many Sony products together, with an interoperable Sony solution.

The switch from making pure hardware to making networked products where the software and user experience are as important as the hardware itself is not a short-term effort. We are connecting more and more of our product groups to the network and to each other, and developing networked content, as well as the software that ties everything together.

A notable example is the Sony-created PlayStation®Network, which has been operational since the November 2006 launch of PS3™ and is used by 24 million customers. And this is only the beginning. Going forward, we will expand these network services to a variety of Sony consumer electronics products.

By uniting our Electronics and Game business groups and by establishing a common software development platform, we are in a better position than ever to innovate and connect seamlessly through network services. Also, with the enormous library of pictures, music and game content possessed by the Sony Group, we are one of the largest entertainment companies in the world. This gives us the ability to explore innovative entertainment initiatives with great speed, flexibility and creativity. Our diverse content libraries and redoubled focus on the development of software and user interfaces will bring differentiation and additional value to our products, and will help make our vision of a networked world a reality.

## Becoming “Asset Light”

The time has come for us to adopt a more horizontal business model-i.e., an “Asset Light” model that works with third parties-for many of our businesses. With certain businesses, minimizing our fixed assets in order to maximize business flexibility, while maintaining our differentiating technology through continued research and development, is an idea that has become a priority over the past few years, and is the most appropriate business model for today.

The first major step in this process was the March 2008 sale of the production equipment that manufactures Cell and RSX processors used in PS3™. Since then we have continued to explore additional opportunities to engage third parties to conduct some of our manufacturing and other operations. This will make us leaner, stronger, quicker, more adaptable and better able to flexibly innovate and enter and exit businesses with greater ease.



## Improving Our Financial Position

The immediate and lasting improvement of our operating performance is crucial to achieving our mission. The restructuring measures and other cost reductions I described above are expected to reduce our costs by more than \300 billion.

In addition, Mr. Nakagawa has already announced initiatives that will substantially reduce our procurement costs by consolidating our procurement activities across product lines, reducing the number of component suppliers and optimizing pricing schemes.

Furthermore, we are continuing efforts to reduce costs and rationalize operations across all divisions of the company. Additional points of focus include the streamlining of our sales and marketing organizations, improving our inventory planning and supply chain management, reducing our level of inventory, and returning the TV business, which has struggled to make money despite achieving a very strong market share, back to profitability. By further standardizing the design of our TVs worldwide, optimizing our LCD panel procurement and shifting assembly to third-party partners, we can increase our cost competitiveness while maintaining the technological and design edge for which Sony is known worldwide.

These initiatives and others will improve our profitability and cash flow, but this is just the beginning. Going forward, we must also be focused on how we use our capital and make sure that our investments generate sufficient returns on capital. The more efficient we become, the more resources we will have to incubate new businesses and to invest in the R&D and acquisitions that will drive our innovation.

## Closing

Our transformation will not be a one-time restructuring, but rather an ongoing process of driving growth, efficiency and innovation across our businesses. With improved operating performance and cash flow, a lighter asset base and a stronger software and network infrastructure, we will be in a solid position to strengthen our core businesses while offering new alluring products that will beckon to our customers.

We are all firmly committed to leading Sony with the innovative spirit that is embedded in its DNA. It is a privilege to fight for a great company like Sony, and with the seriousness of purpose that this management team possesses, I know we can succeed in making Sony greater than ever.

So, I encourage you to get excited about what Sony is doing because it is still the most powerful technology and entertainment brand in the world. We are committed to transforming this company and are determined to prevail. On behalf of the management and all of the employees at Sony, I thank you for your continued support.

June 19, 2009



2/24/2010

Sony Global - A Message From Howard...



Howard Stringer

Chairman, CEO and President

Representative Corporate Executive Officer

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